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## BOOK REVIEWS AND NOTICES

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*Co-operation at Home and Abroad.* A description and analysis.

By C. R. FAY, M.A. Second Edition. London: P. S. King & Son, 1920. Pp. 447.

*Liberalism and Industry.* By RAMSEY MUIR. Boston and New York: Houghton Mifflin Co., 1921. Pp. xiv+208.

\$1.75.

*The Economics of Communism.* With Special Reference to Russia's Experiment. By LEO PASVOLSKY. Pp. xvi+312.

\$2.25.

The reissue of Fay's now standard work on co-operation is not properly speaking a new edition. The scope of the revision is indicated by a second subtitle referring to a "Supplement on the Progress of Co-operation in the United Kingdom (1908-1918)." Only "minor alterations and additions" (Preface to second edition) have been made in the text of 1908. The original "List of Authorities" is reprinted but the new list at the end of the Supplement contains a few titles which relate to co-operation in non-British lands. The original work was descriptive rather than critical and the "analysis" given of a conventional and popular character. (See review in this *Journal* for December, 1909, p. 733.) The Supplement (of forty pages) in the new edition gives a summary of events and revised statistics for the fields of agricultural and consumers' co-operation (with a little over two pages on labor copartnership) in Great Britain for the ten years covered.

The original work treated only of co-operation in seven countries selected as the most important. The most conspicuous gap in the treatment as it now stands is the omission of any mention of Russia. But that would be a subject for a separate volume, as would also be the development of co-operation in the world generally during and since the Great War. The book can therefore no longer stand as a general treatise on co-operation and is now significant chiefly as history, though the Supplement is useful for information in its special field.

Mr. Fay has a concluding chapter of five pages on the bearing of co-operation upon socialism, in which he assigns to the co-operative movement a rather limited rôle in a competitive social order. His

book is therefore not a treatise on social reorganization beyond the brief assertion that the co-operative movement is not to be viewed as a substitute or as destined to grow into a substitute for the individualistic economic system. On this point he takes issue with socialists generally and with the position of such writers on co-operation as Mr. L. S. Woolf.

In *Liberalism and Industry* we come somewhat more to grips with fundamentals and meet with a more thoroughgoing program, though not yet by any means with radical propaganda. This book represents a restatement and, one might say, a revision as well of Liberalism as a vital movement looking toward the cure of the recognized serious evils of modern industrialism. It grew out of the deliberations of a group of industrial leaders of Manchester, undertaken at the request of the Manchester Liberal Federation, and was written at the behest of this Federation and is officially indorsed as a statement of their views. They feel "real sympathy with many aspects of the protest against the existing economic order," and are "convinced that a generous program of reconstruction, inspired by clearly thought out principles, must be undertaken if the nation is to be saved from ruin"; they see no hope in coalition government, but repudiate the Labour Party because it wavers "between two mutually incompatible doctrines, both abstract, ill-defined and undigested." (Preface, and chapter iv; the doctrines referred to are state socialism and syndicalism, from which guild socialism is said to differ only in name.)

The essential principle in Liberalism is Liberty, the chance for each to make the most and best of his own individuality (pp. 19, 39-40). Definition of the principle, applications to the economic problems of the day and criticism of the existing order and of proposed alternatives are carried out in concrete detail in the seventeen chapters of the book. The principal evil of the existing system is found in the too exclusive control of industry by and in the interest of capital, which is properly only one of five factors involved in it; this control must therefore be redistributed. Liberalism, however, believes that the private ownership of capital is the best and only sure method of providing for saving (p. 49) and that the rewards which a man receives shall be in some rough proportion to the services he renders (p. 41). But the book gives no critical discussion of the content of the concept of ownership, nor does it tell us how the value of services is to be measured. Without answers to these questions we cannot

tell how the present social organization is to be changed, or whether it is to be changed at all.

Liberalism has an optimistic faith in the democratic state as "standing outside the economic conflict, . . . and protecting all men against the abuses of power" (p. 67). Yet the state must not operate industry directly, but only (pp. 75-76) "lay down the rules under which it is to be done in such a way as to secure the highest degree of justice and freedom; and then to make sure that these rules are observed." But again, industries are to be nationalized (chap. xiii) when they come under some five specifications. "The most outstanding, though not the only, industries in this category are the railways and the coal-mines." In general, the book is clear, readable, unimpeachably fair and tolerant, and remarkably sound in its economics. It will not appeal to extremists or persons with ultimate solutions of social problems, nor, being a popular book, does it go into the deeper questions raised by any profound study of the problem of translating liberty, through social organization, into liberty to do what ought to be done.

Discussions of bolshevism are much like arguments over religious creeds. Indeed, religion, for the mass of mankind, might be defined as consisting of those things which they consider more important than truth and fairness. From this point of view Mr. Pasvolsky's volume is indeed refreshing. He is frankly and honestly partisan—opposed to bolshevism—but he gives the impression of fairness and treats the leaders of the movement which he is criticizing as both fair and able men. It is a wholly different brand of argument from that dished up by certain ex-socialists and labor leaders in this country, and in tone is not "propaganda" at all. The effect of the discussion is to create a feeling of respect for the bolshevist leaders as men and statesmen. One can but admire the candor with which a government in absolute control of all means of publicity has discussed and permitted public discussion of its difficulties and failures in a way to make possible the compilation of a criticism so well documented, chiefly from official sources.

The first part of Mr. Pasvolsky's book is a historical and descriptive summary of Bolshevik theory and the evolution of the constitution. The second part, about two-thirds of the volume, states the results of the policies, in transportation, the conduct of industry, the treatment of labor, and agriculture. A concluding chapter summarizes the argument and emphasizes the verdict of failure which the writer passes upon the system.

It is unnecessary to say that nothing is *proved*. That Russia has been unprosperous as admitted by all apologists for bolshevism; that the country would have had difficulties of the most serious sort under any government applying any theories is also indisputable. It is simply impossible to tell what the separate effects of either the political or the economic system of the Communist government have been. And even if this problem could be solved it would not prove anything as to the long-run effects of the same policies under normal conditions. But Mr. Pasvolsky has performed a thoroughly praiseworthy and unique work in getting and presenting the facts.

To the reviewer (who is doubtless not uninfluenced by the previous conviction that any highly integrated organization of large numbers of human beings is impossible except temporarily and for very special and concrete purposes), the "lesson" of the book is that the failure of bolshevism is simply the failure of coercion. The Communist government of Russia has labored prodigiously and heroically at an impossible task. Men must be led as if you led them not, and "direct action" is always based upon poor psychology. Specifically, in relation to economic policy, the Communists of Russia (the Bolsheviks) have tried to *control* production, and then to control distribution and consumption in relation to production. If any large measure of "control" in the direct sense is costly and impracticable, it is surely true in addition that this is the wrong order of procedure for an economic authority in endeavoring to get its people to do what they should instead of what they wish. This is perhaps the most fundamental failure of radicals generally to do justice to the competitive system. It does give the people nominal freedom, at least the illusion of freedom in directing their consumption and to some extent it does control production and distribution (more or less) *in relation to consumption*, without recourse to compulsion of a crude sort.

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*A Proposal for an Unemployment Fund in the Men's Clothing Industry.* By LEO WOLMAN, Chief of the Research Department of the Amalgamated Clothing Workers of America. No. 5 of the Amalgamated Education Pamphlets, published by the A.C.W. of A., 1922. Pp. 27.

This pamphlet summarizes the argument for a scheme of unemployment insurance so designed as to throw the initial burden of